COUNTRY Indochina/China

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SUBJECT Chinese Communist Comments on the Situation in

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SUPPLEMENT TO REPORT NO.

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Comment. The text of this report is a translation of excerpts of a Chinese Communist document obtained through a reliable source in Hong Kong. Chinese names are given in the Wade-Giles transliteration, followed by a transliteration believed to represent the Cantonese form. The symbol "X" is retained as it appeared in the original document.)

- There are factions and cliques in the central organization of the Communists in Indochina.
- Political work is poorly organized among those elements of the population which disapprove of what as going on at present. This is especially true in the war districts.

"X" pays more attention to political work among the soldiers. "X" calls the people, young and old, "comrade". The mass is very interested in his work.

There are three military governments in North Indochina. Each military government governs one war area including provinces. The military governments have done little for the welfare of the natives. Corruption and "factions struggling for power are found in the war areas. The party policy of reducing the rate of rent and interest has not been put into operation. There is no fixed policy or principle among the war area governments concerning the question of promoting the peopleds standard of living. Each area government does what it thinks best for the area under its jurisdiction without coordinating with other war area governments. There are many kinds of taxes levied by the governments of the war area. In spite of a bright future for the people of South Indochina, the living standard is very low and the people hope for an early liberation.

- "X" has little power in the government but the rich farmers still hold the power. The Minister of Justice is a member of the Democratic Farty and does not like the special service men to do what they want. "X" also has no power to interfere with the educational functions. The old system of education still exists.
- All the special service men of Nanking have been discharged from the Police Burcau.

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7. "Saving The Nation Association" (Chiu Kuo Hui) is a disguised name for a secret "X" organization with members drawn from the Communists in Indochina. The reasons for keeping the organization secret are: (1) to prevent direct American interference; and (2) hope of an amicable settlement with the French. This is a very loose organization and it is very easy for special intelligence people to enter the organization for purposes of sabotage. As of last April the organization had 100,000 members, excluding South Viet Nam. The members respect and have confidence in Chairman Hu (00). The Chief Clerk (Secretary?) and the Head of Military Affairs are respected. The main staff officers come from the military prisons of France and China and belong to different factions.

- 8. There is no $^{n}X^{n}$ organization in the villages because there are few staff officers in the villages.
- 9. The members of "X" organization are not well selected because they come from the class of small capitalists who do (not?) have a clear point of view concerning class distinction. They do have a regular discussion conference on their fundamental functions.
- 10. It was suggested during the Central Government Conference in June that the "X" organization should be an open and public one because of the existing relations with the Intelligence Offices of nine nations. No decision has been reached on this proposal.
- 11. Members of the "X" organization are afraid of the direct interference of the Americans.
- 12. The Communists of Indochina do not pay much attention to the revision of the governing rules of the "X" organization made by our comrade LIU Chang. Chi (LAU Chang Kei).
- 13. During the August conference many decisions were made on the necessary cooperative action to be taken because of the situation in China.
 - B. Ho Chi Minh
- 14. The people consider Ho Chi Minh as the father of the nation. They worship him.

 Ho sometimes issues announcements in the "Salvation Paper" which has a daily circulation of 5,000. This paper also publishes news from the Information Office but very little from the "X" organization.

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- 15. No Chi Minh and the General Chief Clerk, concurrently Minister of Information,
 Probably Tran Huy Lieu, leading Indochinese Communist
 and a moscow statute.) give attention to Chinese parties and organizations and
 are interested in international political developments. As a whole the Communists
 in Indochina are very interested in affairs of their own race.
 - C. Military Affairs
- 16. There is little chance for the French troops to attack again after the defeat of last winter. ('47-'48) During the battle last winter one-third of the junior officers of the Vietnamese army were killed due to their bravery on the battlefield.
- 17. The arrival of LTU Teng in the South last year has drawn the attention of Chairman Mao. The military equncil is working out a plan for the co-operation

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of the Chinese and the Vietnamese in the frontier districts of the two countries.

- 18. The old military tactics of "retreat first and attack afterwards" have been changed and now Chairman Mao's strategy of "disturbing and confusing the enemy" has been adopted.
- 19. There are five arsenals in North Indochina in which the big "arrow guns" are made with ammunition left by the Japanese. Bullets and other light arms are also made in the arsenals.

